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## CENTRAL

# INTELLIGENCE

## BULLETIN



DOCUMENT NO.
NO CHANGE IN CLASS.
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NEXT REVIEW DATE:

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DIA and DOS have no objection to declassification and release.

DIA and DOS review(s) completed.

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## CENTRAL INTELLIGENCE BULLETIN

25 August 1959

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| 25X1                  | DAILY BRIEF                                                                                             |                                        |
|                       | I. THE COMMUNIST BLOC                                                                                   |                                        |
| 25X1                  | II. ASIA-AFRICA                                                                                         |                                        |
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|                       | III. THE WEST                                                                                           |                                        |
| Fran                  | nce-Libva: The French Ministry of Defense has not                                                       | <sub>ti-</sub> 25X1                    |
| in fied the reconnais | US air attaché of plans for additional French Air Fossance flights over Libya to observe suspected Alge | orce<br>erian                          |
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| 25X1         | Approved For Re                                                                                                                                                   | elease 2003/01/29 : CIA                                                                                                                                                    | A-RDP79100976                                                                                                                  | 004600480001                                                         | -8           |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------|
| 25X1<br>25X1 | rebel activity. The September, are to July and 5 August Libyan Government Brazil: Riots and the continuing in the industrial Sparty is probably disturbances. Sta | ne overflights, set of follow the same rewhich apparently wont.  s protesting the short increase in the collaboration area. The ready to participate the police would have | for 26 August<br>coutes as those<br>went unnoticed<br>ortage of basic<br>est of living made illegal Com-<br>tice actively in a | and 2 e of 29 l by the c foods ay erupt munist any public n control- | 25X1<br>25X1 |
| 25X1         | help.                                                                                                                                                             | ale riots and might                                                                                                                                                        | nave to sumn                                                                                                                   | non army                                                             |              |
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|              | 25 Aug 59                                                                                                                                                         | DAILY BRI                                                                                                                                                                  | EF                                                                                                                             | ii<br>25X1                                                           |              |

Next 2 Page(s) In Document Exempt

## III. THE WEST

## Brazilian Economic Unrest May Lead to Riots

Social unrest over the cost of living and shortages of staple foods has mounted in the past week in industrial Sao Paulo and could lead to strikes and riots which would probably be exploited by the Communists, according to the American Consulate General. Sao Paulo states officials are concerned over the situation, and the governor reportedly conferred with President Kubitschek on 14 August about security measures. The police would probably have difficulty controlling a mass demonstration and might have to summon army reinforcements.

The cost of living in Sao Paulo increased over 17 percent in the first five months of the year and probably rose even more in July and August as a result of the food shortages. The federal government's emergency program to control prices and increase food production, instituted last March, brought some temporary relief but has not yet had a major impact on the situation.

A business recession in Sao Paulo and extensive unemployment in the construction industry are probably contributing to the unrest. The American Embassy has reported growing public impatience in Rio de Janeiro with shortages and price increases, and demonstrations have occurred in other cities.

The press has reported an announcement by the Brazilian Federal Price Control Agency that the government may take over foreign-owned meat-packing firms in an effort to relieve the current shortage of meat. This threat is probably intended partly to divert attention from other more serious basic shortages, as well as to force the meat-packing companies to resume operations under government price controls.

| Protests over the cost of living and the business recession        |
|--------------------------------------------------------------------|
| will probably reinforce President Kubitschek's reluctance to adopt |
| an austerity program as a basis for reopening loan talks with the  |
| International Monetary Fund. Brazil's dollar receipts were unex-   |
| pectedly high in July, but a new foreign-exchange crisis is likely |
| within a few months.                                               |
|                                                                    |

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### THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Director, National Aeronautics and Space Administration

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Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

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The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

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